

ABSTRACT OF THE DISCLOSURE

**CARD-BASED SYSTEM AND METHOD
FOR ISSUING NEGOTIABLE INSTRUMENTS**

An account structure is provided that allows a non-bank entity to indirectly provide direct deposit capabilities for funds representing pre-payments for negotiable instruments. When a direct deposit of funds into a first account associated with the individual and maintained by a first entity is detected, the total amount of the funds is transferred into a second account associated with the individual and maintained by a second entity. The first entity is a bank or other financial institution subject to federal banking regulations, while the second entity is not subject to federal banking regulations. The individual may withdraw the funds from the second account by requesting the issuance of negotiable instruments. Negotiable instruments may be issued in any dollar amount not exceeding the balance of the second account. A properly enrolled customer may make subsequent deposits into the second account.

Anonymous transactions regarding prepaid negotiable instruments may also be conducted. An anonymous account may be provided that is identified by an account number. Upon verification of a PIN and the account number, an individual is authorized to make an initial deposit of funds into the anonymous account, representing a pre-payment for negotiable instruments. The individual is thus authorized to request the issuance of negotiable instruments in an amount not exceeding the initial deposit of funds. When the issuance of negotiable instruments has depleted the initial deposit of funds, the anonymous account is closed. However, the anonymous account may be converted into a non-anonymous account, capable of accepting subsequent deposits, if the individual provides personal identifying information. While an anonymous account is not authorized to accept direct deposits of funds, the non-anonymous account may be linked to a traditional bank account, via a communications link, so as to indirectly offer direct deposit capabilities.

A card-based system and method are provided for issuing negotiable instruments without requiring signature or PIN input from payees/account holders. Security is provided by requiring the presentation of identify verification when the negotiable instruments are endorsed and cashed.